



## The Qualitative Report

Volume 21 | Number 2

Article 11

2-22-2016

# The Corporate Social Responsibility in Lidl's Communication Campaigns in Croatia and the UK

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### Recommended APA Citation

Topic, M., & Tench, R. (2016). The Corporate Social Responsibility in Lidl's Communication Campaigns in Croatia and the UK. *The Qualitative Report*, 21(2), 351-376. Retrieved from <http://nsuworks.nova.edu/tqr/vol21/iss2/11>

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## The Corporate Social Responsibility in Lidl's Communication Campaigns in Croatia and the UK

### Abstract

The purpose of the paper was to investigate whether Lidl uses CSR communication in their Advertising and Communication Campaigns in two different business contexts, and if so, how. The paper built upon existing analyses of CSR Communication by analysing Lidl's websites in both countries, and went step forward and analysed TV adverts of the company in both countries as well. The analysis discovered importance of the social context in using CSR to promote business, as well as a different communication management strategy where Lidl does not communicate with UK public as extensively as with the Croatian public due to different views on the CSR communication. An in-depth analysis of TV adverts of Lidl in Croatia and the UK using their YouTube channel with all promoted TV adverts, as well as official websites of Lidl in both countries was conducted. The findings were analysed using the qualitative method of thematic, contextual analysis. The findings reveal that CSR is used as an argument to foster sales and consumer trust in Croatia but not in the UK. The communication management strategy is different in two countries due to different views of the public about CSR Communication, and Lidl's Communication strategy is designed accordingly.

### Keywords

Retail, Lidl, Corporate Social Responsibility, Croatia, UK

# The Corporate Social Responsibility in Lidl's Communication Campaigns in Croatia and the UK

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## CSR, Two Business Contexts, and the Rise of Lidl

Corporate Social Responsibility (CSR) is a largely disputed concept, and so far there has not been an appropriate definition that would satisfy all stakeholders engaged in debating CSR as a business philosophy. Nevertheless, there is no agreement on the extent companies should engage with societies in which they operate (Carroll, 1979; Dahlsrud, 2008; Tench et al., 2014).

Early discussions on CSR have been concerned with how companies affect the society (Backman, 1975; Dawkins, 2004; McGuire, 1963; Perrini, 2005; Teach, 2005), and CSR has been seen as a voluntary commitment to give something back to societies. However, when it comes to what constitutes CSR there is no agreement either because different authors have different views. For example, views on what constitutes CSR range from “profits for stockholders, high quality products for consumers, reasonable pay, benefits, and good working conditions for employees, a consistent market for suppliers who are paid promptly for their products, and investment in the local communities where the corporation operate” (Bowie, 2012, p. 8), then “animal rights, corporate governance, environmental management, corporate philanthropy, stakeholder management, labour rights and community development (...) corporate accountability, socially responsible investment and sustainable development, aimed variously at replacing, redefining or complementing the CSR concept” (Blowfield & Frynas, 2005, p. 501), and “environmental protection, human resources management, health and safety at work, relations with local communities, relations with suppliers and consumers” (Branco & Rodrigues, 2007, p. 5).

On the other hand, Freeman and Hasnaoui (2011, p. 419) believe that CSR includes terms such as “corporate responsibility, corporate citizenship, sustainability, and corporal

social performance.” However, even though it is not clear what constitutes CSR in recent decades CSR has grown to be more than a voluntary commitment of companies even though some authors still insist CSR should remain a voluntary practice (Brown & Dacin, 1997; Buhr & Grafström, 2006; Dawkins, 2004; Freeman & McVea, n.d.; Grafström & Windell, 2011; Grayson, 2009; Ihlen, 2008; Johansen & Nielsen, 2011; Jones et al., 2009; Krishnamurthy et al., 2007; Manne & Wallich, 1972; O’Connor & Meister, 2008; Tench et al., 2007).

Nevertheless, there is a difference in understanding corporate social responsibility in the US and in Europe, where Americans still more lean towards Friedman’s understanding responsibilities of companies to serve their shareholders and abide to laws while philanthropy is left to the discretion of individual companies (Bowie, 1991, 2012; Friedman, 1962, 1970; Wood, 1991). On the other hand, in Europe, CSR has evolved to become something more and companies are nowadays imposed with demands not just for charity and protection of the environment, but responsible behaviour as a whole (Maignan & Ralston, 2002; Tench et al., 2014).

In other words, large corporations (registered as publicly limited – or liable - companies) in some EU countries now have to do something for the society and report on it while companies registered as limited liability companies are usually not obliged to engage in CSR, nor do they have to report on their work. Nonetheless, there is a growing pressure for all companies to engage in CSR and to report on their work, and some authors argue that companies that do their business responsibly perform better (Falck & Heblich, 2007; Park et al., 2014; Perrini, 2005; Stittle, 2002). However, it is sometimes a problem that stakeholders in the West take a dislike to companies that use their CSR as a part of their PR (Nielsen & Thompsen, 2009, 2011).

In the UK, behaving responsibly for companies has become normalised and the media and nongovernmental organisations (NGO) express critical views over companies and their social engagement if certain companies are perceived as not doing enough for the society (Tench et al., 2007). When someone breaches generally accepted views on socially acceptable behaviour, the public sometimes engages in boycotts as cases with Google, Amazon and Starbucks demonstrated (Barford & Holt, 2013).

When it comes to the official UK laws, public limited companies are obliged to report about their activities and social policies while companies with limited liability are not obliged to report (Companies Act, 2006). However, there is apparently a discussion to make CSR legally binding, which is witnessed in the fact that the British government opened a public call for expression of views on CSR even though so far it has not taken any action on it (UK Government, 2014b). Nevertheless, new research from the UK Government has shown that the ethical purchase is going down, or that “just under two in five (39%) UK adults say that they have made a buying decision that was influenced by the ethical standards of a retailer or product in the last year. However, over a quarter (28%) say their buying decisions have never been influenced in this way and a similar proportion (26%) don’t know or can’t say if they have taken this into consideration” (UK Government, 2014a).

This view is supported with report from the Ethical Consumer (2013) that does report systematic growth overall, but not in personal ethical purchase where the increase is static. This presents a change from 2011 when ethical spending was on the rise and when consumers were increasingly buying ethical products (Co-Operative’s Report, 2011). This means that ethical business orientation is driven from the Government and not from the market because if the market trend shows decrease in ethical purchase and the Government, at the same time, considers enforcing strict CSR then it becomes obvious that the state is enforcing CSR over both companies and wider population.

On the other hand, in Croatia, CSR is not a mandatory part of business philosophy, and citizens will not *a priori* buy a product if a company is perceived as socially responsible

(Srblijinović, 2012; Vrdoljak Raguž & Hazdovac, 2014), nor will they engage in consumer boycotts because of the irresponsible behaviour of companies. In fact, Croatia does not even have an NGO such as Ethical Consumer that would monitor corporate conduct. The only nation-wide association that is active in this field is the Centre for Education and Informing of Consumers (Centar za edukaciju i informiranje potrošača)<sup>1</sup>, and this NGO informs customers on fake award programmes, the right to refuse to be on camera, their general rights as consumers, and similar issues but it does not, for example, monitor worker exploitation or campaign for higher wages or similar issues. The last conducted research on this matter, showed that consumers in Croatia firstly consider quality and characteristics of a product they want to buy and then its price, while the social responsibility of the company comes in at the last place after these two characteristics, as well as availability and quality of a brand are met (Vrdoljak Raguž & Hazdovac, 2014, p. 50).

The Constitution of Croatia (article 48) states that all companies have freedom in doing business but they need to “contribute to the general wellbeing.” In practice, this means that all companies must pay fees such as supporting the work of the national tourist board (Membership to Tourist Offices Act NN 152/08, 88/10), preserving woods in Croatia (The Woods Act NN 140/05, 82/06, 129/08, 80/10, 124/10, 25/12, 68/12, 148/13, 94/14), public limited companies must report on their work and can be fined if they cause damage to the society on purpose (Trade Societies Act, NN 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13), but they are not obliged to report on what they do for the society because CSR is not a mandatory concept.

However, Croatian Association of Business Owners participates in EU-funded project awarding companies that act in socially responsible ways (DOP, 2015), and it also published a brochure that lists companies that perform in socially responsible ways with detailed descriptions of case studies (Omazić, 2012). In other words, Croatia enforces the classic view of CSR also known as “do no harm,” as argued by Milton Friedman (1962) while the UK apparently has a stakeholder theory understanding of CSR (Freeman et al., 2010), that is, an understanding that the company does not only have responsibilities towards its shareholders but also has responsibilities to the society as a whole. Unlikely for the other EU countries – and especially the UK – there are no public debates and pressures on companies to report and be responsible when they are registered as limited liability companies in Croatia.

When it comes to the grocery retail business, both countries have several grocery retailers that are predominant in the grocery retail market and both countries have seen German company Lidl joining the market and trying to position itself against the industry leaders and main holders of the market share (i.e., Tesco in the UK and Konzum in Croatia).

In Croatia, Konzum has the largest share in the grocery retail market that ranges between 25 and 30 per cent<sup>2</sup>, which is a decrease in comparison to 2011 when Konzum had almost 30 per cent of the market share<sup>3</sup>. The largest competitors are German companies Lidl and Kaufland, both members of the Schwarz business group. On the other hand, according to reports, Tesco’s market share went down to the lowest in a decade (28.8 %) because of German retailers Lidl and Aldi (Kantar UK, 2014). Lidl has operated for 20 years in the UK and until recently it had a market share of less than three per cent due to its labelling as a discount supermarket. This combined with a class system in the UK where shopping in Lidl has previously been considered as a “social suicide” (Lowery, 2014, p. 3), and shoppers of Lidl were generally regarded as having a lower demographic and financial position in society than

<sup>1</sup> Retrieved 18 November 2015 from: <http://www.ceip.hr/index.php?Table/Projekti/>

<sup>2</sup> Retrieved 28 October 2014 from:

[http://www.aztn.hr/uploads/documents/istrazivanje\\_trzista/istrazivanje\\_trzista\\_2012.pdf](http://www.aztn.hr/uploads/documents/istrazivanje_trzista/istrazivanje_trzista_2012.pdf)

<sup>3</sup> See information from Agency for Protection of Market Competition. Retrieved 28 October 2014 from: [http://www.aztn.hr/uploads/documents/istrazivanje\\_trzista/maloprodaja\\_2011.pdf](http://www.aztn.hr/uploads/documents/istrazivanje_trzista/maloprodaja_2011.pdf)

the shoppers at the so-called *Big 4* that encompasses Tesco, Sainsbury's, Morrisons, and ASDA. The rise of Lidl prompted a reaction of other British retailers that also have lost profit and market share such as, for the example, Morrison's who launched a PR campaign promising the same quality as their competitors but with lower prices<sup>4</sup>.

In Croatia, the profit of the market leader Konzum also fell due to the rise of Lidl (Tportal, 2014). This is, like in the UK, a new trend because in 2012 Lidl was also in the group of retailers who were managing their business by generating a loss (Anić, 2014) while in 2013 Lidl managed to achieve increase in market share and profit (Rak Šajn, 2013; Tportal, 2014). However, unlike for the UK where shopping in Lidl has been considered as social suicide, in Croatia Lidl has another issue to deal with. The issue in Croatia is a traditional label of a foreign company that works in the market and endangers Croatian companies. A famous issue when this perception has been exploited was an advertisement by Konzum that stirred controversy. The advertisement was published on the day Croatia played England at football and in the daily newspapers customers were encouraged to buy Croatian products. Konzum was fined for this advertisement, and the advertisement was banned as it breached the advertising laws in Croatia (Buljan, 2009). Lidl announced a lawsuit against this defamation and insisted that the advertisement was a direct attack on Lidl because all brands in the advertisement were from Lidl, and only one from Billa while there were no brands from other foreign supermarket chains such as Interspar, Mercator or Kaufland (Novi List/Tportal, 2009). This attack corresponds with official public discourse that largely disapproves of foreign capital stating it is ruining the country's economy, and a general belief that Croatian products are of better quality. Nevertheless, the Croatian economy chamber has run for many years several programmes for branding Croatian products (i.e., awarding labels to Croatian products such as "Original Croatian" or "Croatian quality," and they have a continuous campaign "Let's buy Croatian.")<sup>5</sup>

When it comes to advertising, Lidl launched its first large TV campaign in the UK in 2013 (Mintel Report, 2013a), and the advertising helped increase awareness of Lidl as a place that sells quality food for low prices, that is, from 40 % in the period from March to May 2013 to 56 % for the peak period in 2014 among the group that agrees with the statement "low prices for most items" (Lowery, 2014). Additionally, advertising also had an effect on an increase of positive views on feeling comfortable to shop in Lidl, that is, from 36 % in the period from March to May 2013 to 48 % in the peak period in 2014 (ibid). Similar information does not exist in Croatia but it is visible that Lidl advertises regularly on TV, door-to-door, leaflets, etc. Nonetheless, the number of advertisements is much higher in Croatia where there is no culture of developing campaigns such as in the UK where the majority of companies involved in such activities, and especially in grocery retail, have large communication campaigns.

### CSR in Advertising and CSR Communication

The American Marketing Association defined advertising as "the placement of announcements and persuasive messages in time or space purchased in any of the mass media by business firms, nonprofit organizations, government agencies, and individuals who seek to inform and/ or persuade members of a particular target market or audience about their products, services, organizations, or ideas..." (The American Marketing Association, 2015, Dictionary-Advertising).

On the other hand, the UK Institute of Practitioners in Advertising (IPA) defines advertising by saying that "in its simplest terms, advertising: 1. Identifies a current problem /

<sup>4</sup> See the price comparison list at this link: <http://www.morrisons-corporate.com/media-centre/Corporate-news/Morrisons-gets-cheaper/> (Retrieved 28 October 2014), and new PR campaign at this link: <https://www.youtube.com/watch?v=o4-A7p6prMs> (Retrieved 28 October 2014)

<sup>5</sup> Retrieved 11 January 2015 from: [www.hgk.hr](http://www.hgk.hr)



opportunity for a product, service or corporate brand; 2. Identifies the consumers who can best solve / create that problem / opportunity; 3. Creates the most relevant and distinctive way of communicating to them in creative & media terms” (IPA, What is Advertising? - Definitions of Advertising, 2015). However, certain authors recently warned that it has never been more challenging to define what advertising is because advertising has evolved from mere paying to get presented to something more than that (e.g., Campbell et al., 2014). In other words, advertising is now present even in social media such as Facebook where there is no payment involved (ibid), and new definition of the Marketing association presented above now also includes NGO advertising. This means that promoting social causes to generate funds is no longer considered as a standalone activity, but also as a part of advertising strategy.

When it comes to corporate advertising the situation is not clear either. Grunig and Hunt (1984) defined it as a concept that includes “general promotion; goodwill; image; issue; personality; and responsibility advertisements which they collectively call *public relations advertising*” (cited in Tench, 1997, p. 189, emphasis in the original). This definition still bears relevance because advertising nowadays intermingles with public relations and does make particular attempts to create positive images, and many campaigns demonstrate goodwill intentions by trying to engage with customers.<sup>6</sup> On the other hand, these goodwill campaigns can be seen as an attempt to “seduce” the consumers rather than engaging them as proposed by Heath (2014) who commented on TV advertising and ways to use this form of advertising to build a strong brand. This view again shows the intertwined nature of advertising and PR that are indeed often committed to persuasive communication to achieve their goals because of which PR and advertising has received so much criticism where some critics consider it as nothing but propaganda (Fawkes, 2007).

When it comes to using CSR in advertising, not much work has been done on that, but using CSR in advertising is also known as cause-related marketing and CSR advertising<sup>7</sup>, or Corporate and Issue Advertising. However, there are differences between approaches. Cause-related marketing is a term describing a situation where companies use their social policies as a communication tool to present themselves to consumers who are sensitive to this issue and who want to make a difference by buying from responsible companies (Brønn & Vrioni, 2001). On the other hand, cause-related marketing is defined “as the process of formulating and implementing marketing activities that are characterised by contributing a specific amount to a designated non-profit effort that, in turn, causes customers to engage in revenue-proving exchanges” (Mullen 1997, as cited in Brønn & Vrioni, 2001, p. 214). One famous example of this policy is, for example, NASCAR’s green campaign where the organisation is working in collaboration with stakeholders to reduce the sport’s environmental impact by using green technologies and investing in education of sports fans (NASCAR Green, About, 2015).

It can be said that the companies realised that working with charities can increase customer loyalty and market share, and that cause-related marketing can increase their trustworthiness and improve relations with customers (Duncan & Moriarty, 1997; Stewart, 1998). It has been a new trend to engage in partnerships with NGOs given the advantages in reputation (Nan & Heo, 2007). For example, in the UK grocery business, Sainsbury’s and Marks and Spencer are working with charities (Corporate NGO-Partnerships Barometer, 2014).

<sup>6</sup> Good recent examples would be, for example, campaigns for Always *Like a Girl* or Morrisons’ *Let’s grow* that both appealed to larger audience by fostering sense of right values and engaging consumers in a dialogue. For more details on these campaigns see here <https://your.morrisons.com/Kids-and-Baby/LetsGrow/> (Retrieved 22 March 2015) and here <http://www.always.com/en-us/likeagirl.aspx> (Retrieved 22 March 2015). For more details on the social campaigning see Drumwright (1996).

<sup>7</sup> Other terms include cause marketing, corporate issue promotion, corporate social marketing, social issues marketing, mission marketing, and passion branding (see Drumwright, 1996).

However, cause-related marketing or CSR advertising should not be confused with CSR Communication. CSR Communication presents a process in which companies communicate their policies by publishing documents such as annual and non-financial reports while CSR Advertising or cause-related marketing presents a form of communication via advertising and press releases (Karunamoorthy et al., 2013; Tench et al., 2014). In other words, CSR Communication is mostly related to the legal obligation of publicly liable companies to report on their financial and CSR activities, and in order to prove transparency some limited liable companies follow this practice even though there is no legal obligation.

On the other hand, CSR Advertising and cause-related marketing can be found in campaigns that promoted causes funded by companies. For example, in the UK, the majority of corporations seek partnerships with charities (see C&E Corporate-NGO Barometer, 2014), while in the US companies such as Coca-Cola and Pepsi promote their philanthropic activities. These activities include, for example, giving gifts to share happiness or organising a major concert to bring some joy to a community in Nebraska where not much happens, which is in line with their social responsibility policies that are centred on philanthropy of which happiness is a part (see Coca-Cola, 2015a, 2015b; Pepsi, 2015a, 2015b). The fact British companies partner with charities while American companies are engaged in philanthropy is related to traditionally different views of CSR in the two countries, that is, the UK is often labelled as one of the most ethical countries which is exceptionally sensitive to CSR (Britt et al., 2015; Moon, 2004; White et al., 2012) and as such leans more towards the stakeholder orientation proposed by Freeman (Freeman et al., 2010) according to which companies have responsibilities to society as a whole, while the United States lean more towards Friedman's (1962, 1972) understanding of corporate responsibilities according to which companies have an obligation towards their shareholders and have to abide with laws but they do not need to do anything else. Thus, American companies often engage in philanthropic activities such as the two we described above, and the American public is not as sceptical towards companies as the British are.

CSR advertising can be, nonetheless, divided into two groups, that is, informative and persuasive where persuasive advertising makes an attempt to influence customer behaviour while the informative one only informs audiences about characteristics of the company (ibid). Moreover, research has also reported that certain consumers are sceptical towards companies that use cause-related marketing, and the scepticism has grown so high that consumers engaged in strong actions against companies that use this type of marketing, as well as in refusing to purchase their products (Mohr et al., 1998; O'Sullivan, 1997). According to some authors, this type of advertising business presents the most controversial aspect of the marketing practice (Drumwright, 1996, p. 71).

On the other hand, certain consumers recently started to admire corporate-NGO partnerships and express positive feelings toward this type of collaboration (Corporate-NGO Partnerships Barometer, 2014; Nan & Heo, 2007; Webb & Mohr, 1998) because corporations are, in this case, not seen as building their reputation for the purpose of gaining profit only. The problem as O'Sullivan (1997) describes it, is that the companies that disclose all information are considered as using their charity work as a part of their promotion while those that do not disclose information are not having enough awareness of their involvement among the audience and/or are seen as if they are hiding something.

On the other hand, CSR communication is not a contested field of CSR at least not when it comes to publishing annual reports and corporate policies on CSR. The authors are warning that it is "becoming increasingly important for companies to communicate their corporate social responsibility (CSR) as such activities may influence opinion leaders' behaviours regarding a target organisation" (Birth & Illia, 2008, p. 182; see also Tench et al., 2014). Golob and Bartlett (2007) argue that CSR communication is essential for legitimization



of company while Dawkins (2004) argues that messages must be well communicated because there is scepticism towards companies and the extent they behave in socially responsible ways. CSR Communication is, nonetheless, a form of CSR communication that does not stir controversies even in demanding countries such as Denmark where there is a high expectation from companies to be socially responsible but customers find it disturbing to see these policies advertised and expect companies to discretely report on their CSR at company websites (Morsing & Schultz, 2006; Morsing et al., 2008; Nielsen & Thomsen, 2007, 2009; Vidaver Cohen & Simcic Brónn, 2013).

When it comes to our two case countries, as already emphasized, the UK regulates public liable companies but there is a growing pressure on limited liable companies to act in the same way and report on finances and CSR activities, which means that even limited liable companies are expected to engage in CSR as well. When it comes to communicating CSR, there is less hostility towards this type of communication and British companies do communicate certain aspects of their CSR policies such as corporate-NGO partnerships. On the other hand, in Croatia, companies only have legal obligations to contribute to societies and this applies to all companies regardless of their registration, i.e. all companies have to pay taxes and regulative taxes to the state as explained in the first part of the paper. However, while in the UK consumers are both sensitive to CSR and sceptical of CSR activities when companies implement them, in Croatia this is not relevant because there is no legal or social expectation on CSR. Consequentially, communicating CSR is not problematic and in some instances it can help in enhancing company's reputation when CSR policies are introduced in communication because this increases trust among consumers.

As communication and CSR scholars, we were interested to research this problem to understand the role and significance of CSR given recent debates in the UK about CSR and a decline in ethical purchasing revealed in findings of the study by the British Government. The first question we asked when we read about Lidl's rise in both, culturally very different markets, was whether CSR influenced this growth or simply advanced understanding of the social context and superior communication methods. Following our initial interest, we conducted this study to explore the issue further. The study is innovative in a sense it goes further than other CSR communication studies that simply explore one aspect of the CSR communication. Contrary to that, we explored both CSR communication via corporate websites and advertising to get a comprehensive picture and to establish the role of communication and CSR in business growth, as well as the importance of including social context in the CSR communication, which tends to be an issue that everybody mentions but it is not often taken into consideration when conducting research on CSR.

## **Research Method**

Because of the large disagreements about defining CSR and what constitutes CSR, many authors look at policies on CSR among companies in a holistic way, or by taking a perspective of the company. In addition, cultural and social issues sometimes also bear relevance, and a holistic approach seems appropriate.

A holistic approach and a social context has been taken into consideration in this research project as well. In other words, since authors in the EU largely advocate that customer and employee relations are elements of CSR because companies must have a comprehensive stakeholder orientation, and since these elements are often part of CSR policies amongst EU companies, we analysed these elements as well as more known elements of CSR such as environmental protection and philanthropy. While one would expect that all companies abide by the laws enforced by the EU countries, this is not always the case. Even though it is a minority of corporations that violate rights of employees and customers, the debates are heated

and intense as well as activism of a few NGOs that create lots of awareness about corporate conduct (see Ethical Consumer, 2013).

In our two cases, Croatia has a problem with bullying at work and even though bullying is illegal as per relevant laws, it still happens. Therefore, if a company addresses this issue by promoting itself as a good employer, this can be considered as part of CSR. When it comes to relations with customers in Croatia, they are sometimes tricked into award programmes that bring no awards, and as already mentioned the Centre for Education and Informing of Consumers actively promotes educational programmes to inform customers how to protect themselves.

On the other hand, in the UK, the treatment of employees is also often regarded as poor due to long working hours and a minimum wage paid by many companies while NGOs campaign for a living wage<sup>8</sup>. On the other hand, food quality and customer service are a subject of major public debate as there is a concern that supermarkets sell poor quality food. We explain these differences in more details in the section on findings where we are juxtaposing cultural and social context with Lidl's CSR advertising strategy.

For our study, we analysed websites of Lidl in Croatia and the UK to identify how Lidl defines CSR, and how this is communicated. The analysis of websites is a common method when researching CSR, as this analysis can capture corporate vision, business philosophy and business values (Johansen & Nielsen, 2011; Nielsen & Thompson, 2009; Vidaver-Cohen & Simcic Bronn, 2013) that can then inform other actions in the research process.

Following the website analysis, we conducted a thematic analysis of Lidl's advertisements. Thematic analysis is "a systematic approach to the analysis of qualitative data that involves identifying themes or patterns (...) coding (...) and classifying data, usually textual, according to themes; and interpreting the resulting thematic structures by seeking commonalities, relationships overarching patterns, theoretical constructs, or explanatory principles" (Braun & Clarke, 2006; Fereday & Muir-Cochrane, 2006; Lapadat, 2013, p. 2). The analysis presents a "meaning-making process of many methods, including case study research," and the subject of analysis can be a wide range of materials including written, audio and video ones (Lapadat, 2013, p. 2). There is no one way to present findings using the thematic analysis, but what is essential is that researchers make notes about themes, select illustrative quotes to support their arguments (both short and long), and that the findings are reported in a coherent way (Braun & Clarke, 2006; King, 2004).

The difference between thematic analysis and other qualitative methods (e.g. discourse analysis and grounded theory) is that thematic analysis does not necessarily have to be theoretically bounded (Braun & Clarke, 2006), which can be considered as a limitation of our approach, but we believe it was convenient for our exploratory study because we did not start from the premise that there is an underlying discourse in communication or a hidden agenda, which would be a convenient theme for a discourse analysis. Nevertheless, theme in thematic analysis is capturing "something important about the data in relation to the research question, and represents some level of *patterned* response or meaning within the data set" (Braun & Clarke, 2006, p. 82, emphasis in the original).

We used a deductive, theoretically driven thematic analysis, and looked for themes that are in relation to our research rather than immersing in the data to identify all themes and analyse them all together (Braun & Clarke, 2006). In other words, we looked at *all* advertisements of Lidl in *both* countries, but we separated for the analysis those adverts that we found are related with our research question and our research interest. This analysis

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<sup>8</sup> The UK minimal wage for which NGOs are campaigning is set to GBP 8,25 per hour for all places except London, which is set to GBP 9,40 per hour. The current national minimum wage is set to GBP 6.70 per hour. For details on the wage issue, and the campaign see the Living Wage Campaign at: <http://www.livingwage.org.uk/calculation> (Retrieved 18 November 2015).

provided “less a rich description of the data overall, and more a detailed analysis of some aspects of the data” (Braun & Clarke, 2006, p. 84), and this view also influenced our selection of deductive theoretical approach for coding the data.

Our decision for using theoretical/deductive approach lies in our interest to investigate whether CSR is used in advertising and communication, and if so, how. Analysing all advertisements in details would shift discussion to another direction, and would not enable in-depth analysis of issues that interested us. Finally, we used interpretative level of analysis because this level of analysis “goes beyond the semantic content of the data, and starts to identify or examine the *underlying* ideas, assumptions, and conceptualisations – and ideologies – that are theorized as shaping or informing the semantic content of the data” (ibid, emphasis in the original).

Analysis of TV advertisements encompassed advertisements during a 2013 and 2014 timeframe. The years 2013 and 2014 have been selected because 2014 is the year when Lidl managed to gain increased market share in the UK and growth in market share in Croatia (Kantar UK, 2014; Tportal, 2014) while year 2013 presents a year when Lidl UK launched its first TV campaign in the UK (Intel Report, 2013a), and gained its first profit in Croatia (Tportal, 2014).

In order to identify advertisements, we used Lidl’s YouTube Channels for Croatia and the UK, or Lidl Hrvatska (Croatia; <https://www.youtube.com/user/Lidlhrvatska/featured>) and Lidl UK (<https://www.youtube.com/user/lidlukofficial>). Lidl publishes all of its adverts under the section videos. When it comes to Croatia, we opened the section ‘Video’ and then we kept opening the page until we enlisted all videos published during 2013 and 2014 (there are also older advertisements, and more than 100 pages on YouTube). We identified all videos from this link: <https://www.youtube.com/user/Lidlhrvatska/videos>. We selected videos on 11 December 2014, and the first video on the list was “Lidl vam želi dobar tek – od četvrtka 11.12” while the last one we used for the analysis was “Lidl Love Lock.” In total, we analysed 279 advertisements based on the selected timeframe (2013/2014).

The first author of the article is a native speaker of Croatian language, and has lived in Croatia for the major part of her life. As such she is familiar with the social context, and also holds a PhD in Sociology from the University of Zagreb, Croatia. She also speaks English as a working language. The second author is a native speaker of the English language, and has lived in the UK for the major part of his life and, thus, knows the social and business context.

When it comes to the UK, we opened the section ‘Video’ and we found only one and a half pages of videos for last three years. We identified these videos from this link: <https://www.youtube.com/user/lidlukofficial/videos>. These videos have also been selected on 11 December 2014, and the first video we used for the analysis is “The Little Present – Lobster” while the last one is “New Lidl store opens in Dorking with a surprise for its customers.” In total, 26 advertisements were selected for the analysis based on the selected timeframe (2013/2014)

Advertisements were transcribed for the analysis, and all advertisements were then subjected to the thematic analysis. Clearly, there is a discrepancy in the number of analysed adverts however as the analysis will show, Lidl generally places more emphasis on communicating with the Croatian public than the British one, and thus the low number of adverts in the UK is not actually a surprise.

## Results and Discussion

### *CSR Initiatives*

When it comes to Lidl's principles, their UK website states Lidl's values, and in that they particularly emphasize relations with customers and providing the best service:

As an international business we are fully aware of our size and presence in the public eye. We respect cultural variety and recognise differences in values and traditions. Our work is a reflection of our Company Principles and Code of Conduct. Customer satisfaction is our primary goal. Outstanding value for money defines our market position. We grow through expansion and continuous improvement in our stores. As a retail multiple, we follow a systematic approach. Efficient decision making and simple working practices ensure our success. We comply with applicable law and internal guidelines. In conducting our daily business, we assume economic, social and environmental responsibility. It is our duty to be fair to everyone in our Company. We respect and support each other. We honour our agreements and believe in trust. Praise, recognition and constructive criticism shall determine our working atmosphere. We surround ourselves with 'strong' employees – with support through deputies assured in all areas (Lidl - Company principles).

With this, Lidl defined itself as a company that treats everyone fairly and offers a good customer service. Someone may argue that good treatment of customers and employees should be considered as a self-understandable good practice and abiding to laws and market orientation, however, this is not always the case, at least not in the EU. In the UK's case, many companies have been accused of corporate misconduct abroad (namely fashion companies, see Ethical Consumer 2013), and some companies systematically have low customer satisfaction (for example, in the supermarket industry, there are regular customer satisfaction surveys). The fact there are still issues with the treatment of customers and employees in many countries in the EU is the reason why this is sometimes considered as part of CSR policies because stakeholder understanding of CSR sees customers as stakeholders too.

The policy of Lidl's emphasizing treatment of employees and customers continues with defining socially responsible policies because Lidl places particular emphasis on relations with customers and employees by stating that the company particularly cares for these two groups, as well as for being responsible towards the environment:

As a retailer we value the continued trust placed in our company and our products. Our commitment to our core principles of simplicity and customer focus together with responsible use of natural resources and respectful relations with our customers, employees and business partners is key to our success as a business (...). We are conscious of our responsibilities to society and the environment and continually apply ourselves to improving in all areas of our business: environment, climate protection, employment, community action and our product range. As part of Lidl's motto "On the Way to a Better Tomorrow" we ensure customers and interested parties are always fully informed of our responsibilities in all we do. We are aware that we can only fulfil our responsibilities with the help of our motivated and committed employees. One of our primary concerns is, therefore, to remain a responsible and appealing

employer. It is our goal to ensure that you continue to place your trust in us (Lidl - Corporate Responsibility).

Therefore, building trust with consumers and employees presents Lidl's CSR strategy for the UK, which resembles concerns often raised by critical NGOs in the UK as to treatment of employees within UK and abroad. For example, Ethical Consumer often launches boycotts against companies that fail to treat their employees fairly (Ethical Consumer, 2015).

When it comes to employees, Lidl states they play an important role in the company and emphasises that an independent survey of employee satisfaction showed a high level of satisfaction among Lidl employees (Lidl – Employees), and that the company pays particular attention to equal opportunities understood as a working environment free from harassment or discrimination of any type (Lidl-Equal Opportunities). This commitment is further supported by appointing a representative for employees (Lidl – Representative for Employees). Finally, Lidl emphasises its environmental policies by stating the company pays particular care for preserving the environment (see e.g., Lidl – Environment Protection; Lidl – Boxing Clever with Carboard; Lidl – Bags of Class), and by accepting Greenpeace Detox Commitment (Lidl - Greenpeace Detox Commitment). These issues, as emphasized earlier in the paper, are considered as part of CSR because not all companies have good relations with their customers and employees and some proponents of CSR advocate that these relations are also part of CSR, which is then understood as general corporate conduct and not just what goes beyond respect of laws. In other words, laws play hardly any role in debates on CSR in the EU as CSR is considered in a holistic way. This holistic understanding of CSR is then clearly present in Lidl's communication strategy.

As for the philanthropic aspect of CSR, Lidl decided to sign a corporate partnership with CLIC Sargent, a charity helping children with cancer. This partnership was agreed for the period 2012/2013; however, there is no new information about partnerships after expiration of the partnership with CLIC Sargent (Lidl – Our Charity Partner). Lidl also particularly emphasises their product range as part of their CSR enlisting organic product line Fresh Meadow (Lidl – Organic Products), sustainable cocoa in Lidl chocolates (Lidl – Chocolate: A piece for everyone), sustainable fish sourcing in Lidl products (Lidl – Sustainable Fish Sourcing), selling BEIC/UEEP eggs from British farms only (Lidl – Eggs), caring for animal welfare (Lidl – Animal Welfare), removing colours and preservatives from the food they sell (Lidl – Colours and Preservatives), using high quality sunflower for oil (Lidl – Sunflower Oil), and removing hydrogenated fats from their products (Lidl – Hydrogenated Fats).

When it comes to Croatia, the company has a similar website in that it has separate sections about the company and its CSR policies. However, the section about the company seems to be more developed. In that, the section *Principles* (Načela) states that the company is continually developing, and that principles are being adjusted accordingly and especially in three fields, or growth, compliance with legal regulations and long-term sustainability of their business (Lidl – Načela). The section Basic Principles of the Culture of Employee Management (Temeljna načela kulture vođenja zaposlenika) states that Lidl “creates a surrounding that enables initiative, motivation and satisfaction at work; trains its employees for responsible and successful work in the company and encourage their development; is aware that everybody presents a role model and with that contributes accomplishment of our principles of employee management” (Lidl - Temeljna načela kulture vođenja zaposlenika). When it comes to company principles, the emphasis is largely on customer service and customer satisfaction like in the case of the UK, however with a strong emphasis on trust:

As an international company, we are aware of our growth and presence in the public. We respect diversity of cultures and recognize diversity of their values

and traditions. Principles of the company as well as our behaviour towards employees shape our business. Customer satisfaction determines our actions. The best balance of price as opposed to the value of the product strengthens our position in the market. We are growing through expansion and continual improvements in our stores. As a supermarket chain we work in a sustainable way. Short ways towards making decisions and simple work processes ensure success. We respect valid legal regulations and internal advices. In our everyday business activity, we accept economic, social and environmental responsibility. We behave in a decent and fair way towards every person in the company. We mutually respect and support each other. Deals are respected in the atmosphere of mutual trust. Acknowledgement of efforts, recognition and capability of accepting criticism in everyday business determines the business environment. We are surrounded by the best associates, and for each working place there is an adequate replacement (Lidl - Načela poduzeća).

In their business philosophy, Lidl also explains in details how they treat their business partners (Lidl - Ponašanje prema poslovnim partnerima), customers (Lidl - Ponašanje prema kupcima); and employees (Lidl - Ponašanje prema zaposlenicima). In other words, Lidl emphasises the important place of their employees in their company philosophy by stating – among others - they want to be “recognized and appreciated as a desirable employer” (Lidl - Ponašanje prema zaposlenicima, also Lidl-Načela vođenja), which is similar to their strategy in the UK.

When it comes to company values, Lidl introduced the policy “On the road to tomorrow” where they emphasise sustainable business and responsible treatment of the environment (Lidl – Na putu prema sutra). Like in the UK, Lidl emphasises fair trade for cocoa for their branded chocolates (Lidl – Okus kakaa koji traje) but there is no emphasis on other products (e.g. fish and others as in the UK). What is interesting is that cocoa and care for the environment are presented under company principles and not under CSR like in the UK. When it comes to CSR, there is a separate section on this and the CSR activities which seem to be more developed and stronger in Croatia (where citizens do not make purchase decisions based on company’s CSR) than in the UK (where people do appreciate CSR efforts and often award them when making purchase decisions).

When it comes to philanthropic or CSR initiatives, Lidl’s main programme is the “Donation Programme – More for the Community” (Donacijski program – Više za zajednicu). This programme is an employee donation programme that works according to the principle that every employee (nationwide) nominates those who need help in communities where they live and are familiar with local conditions. Recipients of donations can be non-governmental organisations, charities and institutions (in Croatian the term is “ustanova,” which encompasses all institutions inside the public and state system such as schools, hospitals, orphanages, various centres, etc.). The website states that this programme has a goal of getting closer to the local community in which Lidl works, and in doing so they are considering suggestions for donations from their employees.

In 2013, this resulted in donations to “44 charities that help ill children, children with special needs, disabled and self-supporting parents, eight orphanages, three centres for education and upbringing, 12 kindergartens, two elementary schools, three hospitals, two cultural-art societies, and 13 other societies, parishes, polyclinics, etc.” (Lidl - Donacijski program: Više za zajednicu). The programme continued in 2014, but at the time this paper has been completed (May 2015) there was no information on that. When it comes to this programme, Lidl states that by engaging in this programme the company is given “face, name and surname,” and the official motto of the campaign is “More for the Community” (Više za



zajednicu). This motto corresponds with Lidl's official promotional slogan "Lidl - More for You!" (Lidl – Više za vas!).

Moreover, Lidl also regularly collaborates with Croatian Caritas, a charity managed by the Catholic Church that always collects money for various causes. This cause is called "Helping is Easy" (Pomagati je lako). In that, Lidl allows Caritas to collect donations in Lidl, i.e. customers can buy products and leave them in a special box (this was, for example used, during floods in Eastern Croatia in summer 2014 that destroyed numerous villages and property) and Lidl then donates on top of everything their customers donated. In October 2013, for example, Lidl and Caritas invited citizens to participate in a large humanitarian cause to help poor families from the south of Croatia. Citizens purchased products in Lidl and deposited them in special boxes, and at the end of the cause Lidl donated 100,000.00 HRK in products (Lidl - Lidl i Hrvatski Caritas ponovno pokrenuli veliku humanitarnu akciju).

Even though it seems that CSR policies are more important in the UK where customers to some extent make purchase decisions based on CSR implementations as already explained, it seems that Lidl is more focused on implementing CSR in Croatia where customers do not make decisions based on that. In other words, it seems that Lidl is focused on CSR in Croatia because that is the market where having CSR can have a positive impact on business performance, while in the UK failure to implement whatever is considered as CSR can result in boycotts and reputation damage.

However, while CSR policies in the UK are more connected with environmental protection, CSR initiatives in Croatia are connected with a particularly strong emphasis on employees and the aspiration to become the most desired employer in Croatia. The company was apparently successful in their goal to become the most desired employer because portal MojPosao.net, portal with national vacancies for all sectors, in an annual poll among users of the portal, identified Lidl as the third most desired employer in Croatia after their traditional winner DM (German cosmetics chain similar to Boots in the UK that tops the list of most desired employers for all five years since inception of the national poll due to competitive salaries and good working environment) and German Mueller retail chain (a new company in Croatia, at the time of poll in national expansion). For Lidl, this meant rising from 11<sup>th</sup> position in 2013 to 3<sup>rd</sup> in 2014, and employees of Lidl formed a human chain depicting Lidl's logo to celebrate the achievement of the company (Lidl – Ponosni smo što smo među najboljima).

### **CSR Advertising**

When it comes to the UK, Lidl advertisements generated two main themes: those advertising Lidl for its quality products sold under low prices that resulted in Lidl's first campaign for the UK in 2013 (The Surprise Moment Campaign), and Lidl's Christmas campaign in 2014 (The Little Present Campaign). These campaigns came as a result of the previously discussed problem of social pressure against shopping in Lidl. Therefore, The Surprise Moment Campaign presented a powerful attempt to persuade customers that Lidl is the best choice because it sells good quality food, and that Lidl cares for their customers. The advertisement shows people coming to "The Little Market," trying and enjoying the food while, at the same time, sentences are being written on the screen (no voice) accompanied with powerful music:

Here is a bold idea for a supermarket. We're very proud of our food and our prices. But we're going to stop telling you about them. And let you do the talking instead. Just real people. Telling it like it really is. Yes, that's you. The ones who actually do the eating and paying. If you'd like to join in you'd be more than welcome. You can find us on Facebook and Twitter. Over to you.

In this case (in further advertisements), Lidl emphasized quality for low prices and the surprise that people experience when they find out they shopped in Lidl, and that they purchased good quality food for low price (Lidl UK – Easter Deluxe; The Little Market; Lidl UK – Our Campaign; The Little Market deli meat; The Little Market - Chocolates; The Little Market Bakery; The Little Market - Champagne; The Little Market - Meat; The Little Market – Fruit and Veg; The Little Market - Cheese; The Little Market Bakery; Lidl French Wines - Champagne; Lidl French Wines – Cotes du Rhone and Clairette; Lidl French Wines – Sauternes and Haut Medoc; Lidl French Wines – Bourdeaux Rouge and Bourdeaux Sauvignon Blanc; The Surprise Moment - Meat; The Surprise Moment - Cheese).<sup>9</sup>

When it comes to Croatia, the social context is not class-oriented like in the UK. In other words, Croatia is not a class society where certain people buy in certain shops because it appears more socially prestigious. For the supermarket industry, this means that everybody shops everywhere and that all supermarkets have to find their own way to position themselves in the market. As already noted, Croatia has a different cultural context and the rise of Lidl corresponds with introduction of fresh bakery products for which Lidl was recognised, and this was included in their promotional campaign. However, the issue Lidl is facing is a general problem of being a foreign company, and nonetheless a company that does not sell Croatian products as already explained. But, when it comes to the Croatian wider social context, a particular issue is bullying at work<sup>10</sup> and failure of many companies to pay wages on time. Because of that, the Croatian tax office in 2014 published a list of companies that do not pay wages on time.<sup>11</sup> Employees generally do not have any power in decision-making processes in companies where they work, and workers union exist only for employees in the public and state sector. Because of this, the private sector never supported the public and state sector in their attempts to preserve rights after austerity measures were introduced, and citizens generally support large dismissals in the public and state sector (e.g., Šunjegra, 2014).

When it comes to advertising, Lidl's advertising strategy can be divided to campaigns *Deluxe line* (also presented in one advertisement in the UK), *Mate versus Tomaž* (cooking advertisements where Slovene and Croatian chefs compete and act in funny advertisements), *Clothes and home collections*, *European collection*, *Bon appétit special offers campaign* (*Dobar tek želi vam Lidl*), *The Taste of Homeland campaign* (*Okusi zavičaja*), *Lidl\_Minute in Europe campaign* (*Lidl\_Minuta u Europi*) and *Lidl\_Minute until Europe* (*Lidl\_Minuta do*

<sup>9</sup> In the second instance, Lidl made an attempt to position itself against upper market leaders Waitrose and Marks & Spencer famous for their good quality food (Lidl Christmas Advert – The Little Present; The Little Present – Drinks; The Little Present - Sweets; The Little Present – Lobster). Waitrose and Marks and Spencer have a high level of trust among consumers and especially in the 55+ age group as well as those belonging to A and B classes (Mintel Report, 2013b). Lidl apparently tried to emphasize that their food is of equal quality to Waitrose and Marks & Spencer just that it is sold under a cheaper price and people in the advertisement expressed surprise to learn they were eating food from Lidl because when asked they thought the food was from Waitrose and Marks and Spencer. While Lidl has always emphasized their food quality this did not work immediately as the British middle class was not interested in purchasing their products. Nevertheless, this class was “the target audience” due to the fact agency employed to develop a strategy for Lidl considered them as “lucrative upmarket shoppers (with children) who, to date, were turning their noses up rather than turning up to shop at Lidl” (Lowery, 2014, p. 4). Yet, Lidl continues with emphasizing quality and a new strategy presents direct targeting of two middle class grocery retailers (Marks & Spencer and Waitrose) that have an image of good quality supermarkets, and are generally seen as upper market leaders (Mintel Report, 2013a, 2013b). Nevertheless, Marks & Spencer is for years the winner of most trusted company in the UK (C&E Corporate-NGO Partnerships Barometer, 2010, 2011, 2012, 2013, 2014; Mintel Report, 2013a, 2013b).

<sup>10</sup> The NGO ‘Mobbing’ exists for 10 years and systematically warns about the problem, however, all initiatives to tackle the issue have been largely unsuccessful. Information about the NGO and the problems Croatian society is facing are available at the official website of the NGO: <http://mobbing.hr/> (Retrieved 11 January 2015).

<sup>11</sup> Available at: [http://www.porezna-uprava.hr/bi/Stranice/Neisplativost\\_jednake\\_place.aspx](http://www.porezna-uprava.hr/bi/Stranice/Neisplativost_jednake_place.aspx) (Retrieved 11 January 2015)

Europe), *Lidl Croatia campaign (Lidl Hrvatska)*, and one advertisement with support to campaign for children with special needs “*Reci DA*” (Say YES).

Since the number of advertisements in Croatia is exceptionally high, we analysed all advertisements, but we narrowed our analysis to advertisements that are related to our research on CSR, and we excluded adverts that only offer product promotions. Nonetheless, it is worth noting that – unlike for the UK – Lidl advertisements do not emphasise the surprise element with regard to the food’s quality, as this is not part of the Croatian context. Therefore, we focused on advertisements that can be considered as CSR Advertising as this practice is strongly present in the Croatian context.

In the research excluding product promotions, we identified two main themes: (1) Lidl and the national positioning and (2) Lidl and the European positioning. These themes are present in three main campaigns, or “The Taste of Homeland,” “Lidl\_Minute until Europe” (Lidl\_Minuta do Europe), and “Lidl\_Minute in Europe” (Lidl\_Minuta u Europi) campaigns. However, after careful analysis, the Homeland campaign was also labelled as product promotion where Lidl is trying to overcome criticism of Croatian competitors, and as such was excluded from the analysis. Therefore, we focus our discussion in this paper on the European campaign, because this campaign contains elements usually associated with CSR.

The CSR Advertising can, therefore, be found in “Lidl\_Minute until Europe” campaign launched in 2013 before Croatia joined the EU, and “Lidl\_Minute in Europe” campaign that continued after Croatia became the 28<sup>th</sup> EU Member State in July 2013. These two campaigns are a part of the European positioning theme that heavily relies on CSR. The first advertisement of the Lidl\_Minute until Europe campaign narrated a story of Lidl in Croatia. The advertisement presented Lidl as a reliable employer and business partner that offers good quality food:

Our story in Croatia started seven years ago with first 13 stores with which we started to build our way towards you. Today you can visit us in one of 84 stores in your neighbourhood, close to you. We are Lidl. We are continuing our growth, and we are closer and closer to you. From year to year, Lidl’s doors are opened by more and more customers. Coincidence? Not at all. So excellent, and so advantageous. Meat, fruit and vegetables, and dairy and bakery products go through demanding controls of freshness and quality every day. It is well known that especially these products from Lidl achieve the best balance of price and quality. Lidl is especially proud of this fact. Particular attention in Lidl is given to socially responsible business by successfully collaborating with charities like Caritas and Croatian association Transplant as well as numerous other projects. More than 2000 employees and more than 100 Croatian suppliers and producers found in Lidl a reliable employer and partner (Lidl\_Minuta do Europe\_Lidl u Hrvatskoj).

Additional advertisements feature stories of Lidl’s donations and their social responsibility, e.g. donations to cultural activities, hospitals, and Croatian Caritas (Lidl\_Minuta u Europi\_postavljanje skulpture Dar života; Lidl\_Minuta u Europi\_Donacija rodilištu; Lidl\_Minuta u Europi\_donacija Caritasu). For example:

Retail chain Lidl and the charity Transplant placed a sculpture Dar života in the lake Budek area in Zagreb last week, and the sculpture is dedicated to all organ donors and their families. The sculpture was ceremonially revealed by the youngest member of Transplant supported by Lidl’s promoter Oliver Dragojević. This was an event that permanently gives respect to selfless organ donors, and

it also served as a new reminder of importance of organ donations in saving lives. Lidl supports the work of Transplant in Croatia for years, and Croatia is a European leader in the number of transplantations... (Lidl\_Minuta u Europi\_postavljanje sculpture Dar života)

Lidl also emphasized its own brands by outlining there is an equal balance between foreign and Croatian producers who work for Lidl (Lidl\_Minuta do Europe\_Robne marke), and its awards given by Croatian customers in 'Best Buy Award' (Lidl\_Minuta do Europe\_Best Buy Award), strict standards for logistics and storage of products that are sent to their stores and the fact they are employing large number of people (Lidl\_Minuta do Europe\_Logističko-distributivni centar Jastrebarsko). Lidl\_Minuta in Europe\_Bakery products emphasises that Lidl was the first retail chain in Croatia to introduce self-service in selling bakery products in Croatia and that their bakery products are baked several times a day to always offer fresh products. Lidl emphasizes quality and high standards with other products in this campaign and in subsequent campaign after Croatia joined the EU entitled Minute in Europe (e.g. Lidl\_Minuta do Europe\_Suhomesnati proizvodi; Lidl\_Minuta u Europi\_Čokolade; Lidl\_Minuta u Europi\_Mliječni proizvodi; Lidl\_Minuta u Europi\_Torte; Lidl\_Minuta u Europi\_Pizze; Lidl\_Hrvatska\_Minuta u Europi\_Alati; Lidl\_Minuta u Europi\_Jaja iz podnog uzgoja).

A particular emphasis on socially responsible behaviour has been placed in advertisement that narrates how Lidl operates in Croatia. In that, Lidl emphasized they are not only committed to business but also to business ethics:

Lidl Croatia as respectable retail chain makes an effort to work in harmony with social community in which it does business. Success is measured with achievement of business goals, but Lidl is in large part committed to principles of business ethics and socially responsible business. These principles are enforced with motto "On the road to tomorrow." Lidl is famous for its continuous humanitarian work and social sensitivity. The company in last years achieved numerous remarkable causes in collaboration with Caritas of Zagreb's archdiocese. For more than three years, we work together on achieving numerous humanitarian projects. We also work with Croatian NGO Transplant that for many years tirelessly works on promoting donations of organs and improvement of life conditions of people who went through transplanting organs. Apart from humanitarian work, Lidl has also proven that it does follow the highest European standards when it comes to energy efficiency and engagement on preservation and protection of environment (Lidl\_Minuta do Europe\_Društveno odgovorno poslovanje).

After Croatia joined the EU, advertising through this campaign shifted even more towards CSR Advertising and particularly in regard to treatment of employees, which belongs to CSR policy and meets Croatian context where bullying at work is a social problem. Therefore, advertising emphasized treatment of Lidl's employees:

On 21<sup>st</sup> April, Lidl this year treated all of its employees with a big hangout at Plitvice lakes<sup>12</sup>. The Day of Employees was held in the largest and the oldest national park in Croatia. Lidl's family arrived to Plitvice with buses from all

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<sup>12</sup> The largest national park in Croatia, and the biggest tourist attraction that attracts not only foreign guests but also locals. Retrieved 22 March 2015 from: <http://www.np-plitvicka-jezera.hr/>

areas of Our Beautiful<sup>13</sup>. In this natural phenomenon made of as many as 16 lakes, they were treated with all day fun: walking in parks, outstanding gastronomy delicious meals, dance, D.J., and concert of Oliver Dragojević<sup>14</sup>. At this time, the 330<sup>th</sup> millennium photo of Šime Stikoman has been taken. The photo shows Lidl's recognisable yellow and blue logo that was created by 1272 Lidl's employees. With this gathering, Lidl again showed that it is a modern company that cares for its employees, as well as for its customers (Lidl\_Minuta do Europe\_Dan zaposlenika).

In line with this and with what normally constitutes CSR in the West, Lidl also emphasizes that it invests into education of its employees (Lidl\_Minuta u Europi\_Studij, Lidl\_Minuta u Europi\_Trainee Program (Anette Latinović, Lidl\_Minuta u Europi\_Trainee program (Igor Pecak)). In this, Lidl uses its real employees to advertise the company and talk about its trainee programmes that last between 18 and 24 months and are accompanied by 'competitive salaries' and intense supervision. For example, one employee talked about her experience in Lidl:

During two years of the programme, I had an opportunity to get to know work processes in different sectors such as sales, supplies and logistics. I also deepened my knowledge on education in Germany. Through practical work in trainee programme, I learned that every department in Lidl is an individual piece of one big chain, and each of them is equally important for success of our company. You can also become a part of our business story (Lidl\_Minuta u Europi\_Trainee program [Anette Latinović]).

Other than several advertisements with trainees who got education and training in Lidl, Lidl also featured advertisements promoting careers in Lidl (e.g., Lidl\_Minuta u Europi\_Karijera u Lidlu\_br.1; Lidl\_Minuta u Europi\_Karijera u Lidlu\_br.2; Lidl\_Minuta u Europi\_Karijera (Knežević)). In that, they start the advertisement saying they have more than 1600 business and success stories to tell implying the number of people they employ, and who happily work in Lidl. Then the advertisement continues with employees narrating a story of their work for Lidl. For example, Mirela Kos who works as a senior supplying manager for Zagreb and surrounding areas tells the following:

I started my career in Lidl more than seven years ago in Varaždin as an assistant manager in one Lidl store. My company enabled me continuous growth and development, as well as continuous education that in only a few years enabled me to become a store manager and then manager for quality control. My committed and motivated work enabled me to progress to the position of regional manager for supplying, and then senior manager for supplying for

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<sup>13</sup> Reference to the name of the Croatian national anthem 'Lijepa Naša' (Our Beautiful), which is also an expression used in Croatia sometimes even by the media when talking about Croatia.

<sup>14</sup> The most popular Croatian singer and one of major music stars in the region of former Yugoslavia. Oliver Dragojević has been for many years called by the media as a living legend.

Zagreb and surrounding areas. The latter is the job I do today. You can also become a part of our business story (Lidl\_Minuta u Europi\_Karijera u Lidlu\_br.1).

### Conclusion

If we look into the way Lidl promotes its activities in two countries, it seems rather clear they are trying to follow a standard European stakeholder orientation in their business. This is particularly visible in the fact they report on their relations with employees, customers and suppliers in their statements on CSR on their website. On the other hand, this policy is then transformed into advertising just in different ways.

When it comes to Croatia, Lidl's communication strategy showed superior understanding of the social context and, therefore, Lidl promotes employment opportunities in a social context where bullying at work and low employee rights are a social reality. However, to accomplish this Lidl turned to CSR Advertising and imposed CSR policies as a measurement of what it means to be European. Lidl is clearly *selling* CSR as a measurement of what it means to be a good company in a context where this is not normally important by promoting itself as a good employer and as a generous philanthropist, and as such the company is also *selling* CSR.

On the other hand, CSR is not implemented in the UK almost at all, with which Lidl risks its reputation, while in Croatia Lidl donates large amounts to philanthropic activities even though this is not required. Concerning the fact Lidl, with its new campaigns in the UK, appeals to higher demographic groups (e.g., the middle classes) it is quite peculiar they did not develop a CSR policy in the UK. However, if we look at the already mentioned research from the UK Government (2014a) that has shown a decrease in ethical purchase, Lidl apparently estimated that introducing CSR is not necessary to achieve their business goals, and this then had an effect on their communication strategy.

It seems that in the UK a lot of attention to CSR has come from loud and critical NGOs already mentioned in the paper such as the *Ethical Consumer* that often launches campaigns against various companies, while new research shows that ethical purchasing is in decline (UK Government, 2014a; Ethical Consumer, 2013). It seems, therefore, that Lidl has clearly recognised this trend and decided to push its CSR strategy aside and focus on a change of image while in the Croatian case, the company has clearly focused on addressing social issues to achieve better positioning and has, consequentially, used CSR in their Advertising and Communication campaigns. On the other hand, given the lack of CSR initiatives in the UK it is difficult to speak of genuine CSR in Croatia when the available research shows that consumers in the West also do not like exposing CSR policies as a means of promoting the business (Mohr et al., 1998; Morsing et al., 2008; Nielsen & Thompen, 2007; O'Sullivan, 1997), which might be another reason for refraining from using CSR for positioning in the UK market.

Nevertheless, in the Croatian case, CSR seems to be driven by the EU with programmes for (re)awarding companies that enforce CSR while in the UK CSR seems to be driven by the Government and again not so much by the market. In other words, CSR is driven from the above as a top-down measure. In this particular case, Lidl is apparently trying to cope with that by exploiting CSR in one context and by downplaying the CSR in the other. The future research should look at demographics more closely, i.e. to examine who are the drivers of CSR in the EU, who are the people who care for CSR and ethical purchasing, and how many people in general genuinely care about ethical purchasing. In addition, future work should look at the role of the EU and national Governments in driving CSR given the fact the British government considered stricter CSR measures even though ethical purchase does not show any increase but rather stagnation or downfall, while in Croatia the EU is funding an award programme for



companies that enforce social responsibility policies even though the public does not express interest on CSR.

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## Appendix A

Sources from Lidl's Corporate Websites, in order as they appear in the article

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### Article Citation

Topić, M, & Tench, R. (2016). The corporate social responsibility in Lidl's communication campaigns in Croatia and the UK. *The Qualitative Report*, 21(2), 351-376. Retrieved from <http://nsuworks.nova.edu/tqr/vol21/iss2/11>

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